

**MAYOR'S BUDGET SHORTFALL ADVISORY GROUP
MEETING MINUTES
October 17, 2007**

I. CALL TO ORDER

Group members convened at 6:05 p.m. in the City Hall Tower, Rooms 1732-1734, 200 E. Santa Clara Street, San José, CA 95113.

PRESENT: Mayor Chuck Reed, Council Member Pete Constant, Council Member Madison Nguyen, Ted Biagini, Darrell Dearborn, John Kennett, Dr. Lydia Ortega

ABSENT: Karen Willett

STAFF: Roger Mialocq, Consultant; Armando Gomez, Budget and Finance Director – Mayor's Office; Antonio Guerra, Mayor's Office

II. APPROVAL OF MINUTES

Action: Mayor's Budget Shortfall Advisory Group (BSAG) approved the minutes from the October 17, 2007 meeting.

III. DISCUSSION ITEMS

A. City Manager's General Fund Structural Deficit Task Force (SDTF) presented their workplan and initial strategies to eliminate the structural deficit.

Documents: (1) SDTF Presentation, (2) SDTF Workplan Schedule, (3) SDTF Initial Strategy Development, (4) SDTF Initial Strategies List (a) Revenue Strategies, (b) Service Delivery Model Changes, (c) Expenditure Controls and Shifts, (d) Service Reductions.

Jerry Newfarmer and Andy Belknap presented the initial work conducted by the SDTF.

B. BSAG: Discussion of potential items for the City Manager's General Fund Structural Deficit Task Force to investigate.

Mayor Chuck Reed, Council Member Madison Nguyen, Dr. Lydia Ortega, Darrell Dearborn, Ted Biagini, Council Member Pete Constant, John Kennett, and Roger Mialocq discussed the following topics:

Appropriate cities to benchmark, how other California cities were able to end their structural deficits, the various local government structures in California, if a Strong Mayor would have any effect on City efficiency, the possibility of the Mayor gaining line-item veto power, the effect San José's budget process has on expenditures, sales tax leakage along the City's borders, the effect of the General Plan on revenue, the amount the City spends on consulting contracts, employee compensation, and other post-employment benefits actuary reports.

IV. PUBLIC COMMENT

Erik Larsen commented that labor should have greater involvement in the SDTF proposals. Bob Brownstein commented on the amount state fiscal policies influence local governments. Ed Rast commented on informing neighborhood leaders on the budget process.

V. ADJOURNMENT

The meeting adjourned at 7:33 p.m.